

U.S. COAST GUARD AND THE MARITIME ADMINISTRATION

NEPTUNE DEEPWATER PORT

USCG-2005-22611

PUBLIC SCOPING MEETING

November 2, 2005

Proceedings recorded by tape. Transcribed by:
Arlington Reporting Corporation
8 Farrington Street
Arlington, MA 02474
(781) 646-1730

produced from transcript.

I N D E X

| | <u>Page</u> |
|--|---------------------------|
| Roddy Bachman, Project Manager Deepwater Ports Standards Division U.S. Coast Guard | 4, 12, 18, 20, 31 |
| Frank Licari, Maritime Administration, Deepwater Port Team | 10 |
| Don Beckham, e ² M, Engineering Environmental Management | 12 |
| Briony Angus, Massachusetts Environmental Policy Office | 18 |
| Nancy Farrell, Moderator Regina Villa Associates | 20, 25, 27, 29, 30, 31 |
| William Eldridge, Vice President, Peabody & Lane Corporation | 22 |
| David Clark, Operations Manager, Boston Towing & Transportation Company | 25 |
| Kevin Conroy, Chief of Staff and General Counsel, The New England Council | 28 |

E X H I B I T S

| <u>Letter</u> | <u>Description</u> |
|---------------|--|
| A | Submission by Peabody & Lane Corporation. |
| B | Submission by Boston Towing & Transportation Company |
| C | Submission by the New England Council. |

1 P R O C E E D I N G S

2 RODDY BACHMAN: Okay. Good evening,
3 ladies and gentlemen. My name is Roddy Bachman with
4 the Coast Guard. I'm a Project Manager in the
5 Deepwater Ports Standards Division of the U.S. Coast
6 Guard Headquarters. Accompanying me are Mr. Frank
7 Licari of the -- representing the Maritime
8 Administration; Mr. Don Beckham with Engineering
9 Environmental Management, e²M, the environmental
10 consultant assisting us on this project; and, in
11 addition, we have Ms. Briony Angus of the Massachusetts
12 Environmental Policy Office. We will be working
13 closely with the MEPA Office to ensure that we develop
14 an environmental document that satisfies all the
15 requirements of both the state and federal government.
16 The MEPA consultation session just conducted is an
17 example of this.

18 In a few minutes, each of my colleagues
19 will provide you with a short overview of their
20 responsibilities regarding the Neptune Deepwater port
21 license application. First, I'd like to give you a
22 brief background regarding the deepwater port process.

23 In November 2002, Congress passed the
24 Maritime Transportation Security Act, which amended the

1 Deepwater Port Act by adding the importation of natural
2 gas. The original Deepwater Port Act of 1974 applied
3 only to oil. It was largely a response to the oil
4 shortages at that time and intended to encourage and
5 facilitate the safe importation of oil.

6 Three applications were processed at
7 that time, and one deepwater port, the Louisiana
8 Offshore Oil Port, or LOOP, was built and has operated
9 successfully since the early '80s. This currently
10 accounts for about 12 percent of oil imports.

11 Since the addition of natural gas to the
12 Deepwater Port Act, the Coast Guard and the Maritime
13 Administration have received 11 applications for
14 natural gas deepwater ports. One of those applications
15 was submitted on February 17, 2005 by Neptune LNG, a
16 subsidiary of Suez LNG North America, to own,
17 construct, and operate a natural gas deepwater port in
18 Massachusetts Bay, approximately 7 miles south-
19 southeast of Gloucester. This project is referred to
20 as Neptune and is the subject of this meeting.

21 For clarification, there is a second
22 proposed deepwater port in the same vicinity,
23 approximately 13 miles south-southeast of Gloucester,
24 known as Northeast Gateway, a subsidiary of Excelerate

1 Energy. These are separate applications and they are
2 being processed independently with separate
3 environmental impact statements. However, the
4 potential cumulative impacts of these facilities and
5 other existing and perceivable activity in the area
6 will be assessed and included in the environmental
7 documents developed for each project.

8 Public scoping meetings were conducted
9 for Northeast Gateway in mid-October.

10 In addition, you may be aware of a
11 proposal being discussed for outer Brewster Island.
12 This is not a deepwater port. And, should an
13 application go forward, the Federal Energy Regulatory
14 Commission would be the lead federal agency.

15 Finally, I must apologize for an error
16 in the October 21st Dear Interested Parties Letters
17 some of you may have received. The attached location
18 map incorrectly noted a five-mile exclusion zone around
19 the project. Another mailing dated October 26 corrects
20 this. But, in case you have not seen it, safety
21 security zones, areas with operational restrictions,
22 such as speed traffic, communications, areas allowing
23 transit but no anchoring or bottom trawling, and areas
24 to be avoided, are yet to be assessed and will be

1 determined as part of the application process.
2 However, it is not anticipated that such areas would
3 exceed two miles.

4 On October 7th, the Coast Guard and the
5 Maritime Administration published a notice in the
6 *Federal Register* stating that the Neptune application
7 appeared to contain the required information to
8 proceed. In that notice, Massachusetts has been
9 identified as the adjacent coastal state. This gives
10 the Governor specific authority in the approval process
11 under the Deepwater Port Act.

12 To issue a deepwater port license, there
13 are a number of elements that must be considered by the
14 Maritime Administration, and Frank Licari will describe
15 those in a moment.

16 An important part of the overall
17 licensing process required by the Deepwater Port Act is
18 an environmental review. In this case, an
19 Environmental Impact Statement, or EIS, must be
20 prepared in accordance with the National Environmental
21 Policy Act, or NEPA. The fact that we are preparing an
22 EIS was announced in the October 20th, 2005 *Federal*
23 *Register*. The EIS will describe the nature and extent
24 of the environmental impacts of the proposed action,

1 which is the construction and operation of Neptune. It
2 will also include, among other topics, the purpose and
3 need for the proposed action, a description of
4 alternatives, a description of the affected
5 environment, and an evaluation of the impacts and
6 cumulative impacts on the natural and human environment
7 by the proposed action.

8 As I mentioned, we will be working with
9 the Massachusetts -- we are working with the
10 Massachusetts Environmental Policy Act Office to
11 develop a joint document that will also serve as the
12 State's environmental impact report.

13 The intent of this public scoping
14 meeting is to receive your input on these issues and
15 any other issues you think should be considered. I
16 would like to emphasize that this meeting is not the
17 only opportunity that you will have to provide input on
18 this application. Written comments on the scope, that
19 is, the type of issues you would like to see analyzed
20 in the EIS, should be received by November 18th. There
21 are handouts, I believe in that far corner back there,
22 with instructions on various ways to submit comments.
23 Our environmental consultant will discuss additional
24 comment opportunities in a few moments.

1 With that as some background, I would
2 now like to provide you with a brief overview of the
3 Coast Guard's responsibility regarding the license
4 application process. My colleagues will follow with an
5 overview of their agencies' responsibilities.

6 The Coast Guard and the Maritime
7 Administration work together in processing deepwater
8 port applications. Although the Administrator of the
9 Maritime Administration will ultimately decide whether
10 to approve, disapprove, or approve with conditions a
11 license for this proposed deepwater port, the Coast
12 Guard is the lead Federal agency developing the
13 Environmental Impact Statement as one of the important
14 inputs for that decision.

15 In fulfilling our role as the lead
16 agency for the development of the EIS, the Coast Guard
17 must seek input from the public, as well as from other
18 Federal and State agencies.

19 The Coast Guard is also responsible for
20 evaluation of the proposed engineering design
21 standards, the development of operations, waterways
22 management, and maritime safety and security
23 requirements, and for enforcement of various domestic
24 and international laws and regulations for LNG carriers

1 that might call on a proposed Neptune port.

2 I want to make it clear that the Coast
3 Guard is neither a proponent nor an opponent for any
4 deepwater port project. I also want to emphasize that
5 only after the environmental review and license
6 processes have been completed can there be any activity
7 on the proposed project.

8 At this time, I'd like to introduce
9 Frank Licari, representing the Maritime Administration,
10 who will describe the responsibilities of his agency.

11 FRANK LICARI: Thank you, Roddy.

12 I am a member of the Deepwater Port
13 Team. On behalf of the Maritime Administrator, thank
14 you for coming and providing input to the Neptune
15 Deepwater Port Application.

16 The Secretary of Transportation has
17 delegated the authority to issue deepwater licenses to
18 the Maritime Administrator. The staff at the Maritime
19 Administration has been working closely with the Coast
20 Guard to process Neptune's application, and we are
21 confident that this meeting will produce a thorough
22 scope of environmental issues to address.

23 There are other factors that the
24 Maritime Administrator will consider in developing a

1 record of decision. He will specifically address the
2 following items for issuance of a deepwater port
3 license, as enumerated in Section 1503 of the Deepwater
4 Port Act.

5 Per the Deepwater Port Act, in order to
6 issue a license, the Administrator must find that the
7 applicant is financially responsible; the applicant can
8 and will comply with applicable laws, regulations, and
9 license conditions; the deepwater port will be in the
10 national interest; the deepwater port will not
11 unreasonably interfere with the international commerce;
12 the Environmental Review indicates that the port will
13 be constructed and operated using the best available
14 technology so to prevent or minimize adverse impacts to
15 the marine environment; the EPA cannot indicate the
16 port will violate the Clear Air Act, the Clean Water
17 Act, or the Maritime Protection Research and
18 Sanctuaries Act; Secretaries of Army, State, and
19 Defense are consulted and their programs considered;
20 the Governor of Massachusetts approves of the
21 application; the port is consistent with Massachusetts
22 Coastal Zone Management Program.

23 If you desire to submit comments today,
24 please feel free to do so. However, if you desire to

1 supplement your comments or comment at a later point in
2 time, you may do so either in person, via fax, postal
3 mail, and electronic mail to the public docket. There
4 are handouts in the rear that explain how to submit
5 comments, and I'll be happy to explain how to do so in
6 detail if you need assistance.

7 In conclusion, I thank you for your
8 interest and look forward to your comments.

9 RODDY BACHMAN: Thank you, Frank.

10 At this time, I'd like to introduce Don
11 Beckham with e²M, who will explain the environmental
12 consultant's role and the MEPA process.

13 DON BECKHAM: Good evening. I'm Don
14 Beckham with Engineering Environmental Management, or
15 e²M. We are the Coast Guard and MARAD's consultant
16 preparing the Environmental Impact Statement for the
17 proposed Neptune LNG Deepwater Port. I am e²M's
18 Project Manager for this project. I want to provide an
19 overview of the opportunities for public participation
20 involved in preparing the EIS.

21 e²M is a science-based environmental
22 consulting firm experienced in preparing EIS's and
23 related studies. My team includes specialists in many
24 resource areas covering all of the environmental

1 sciences including biologists, chemists, geologists,
2 and engineers. We will be doing an independent
3 evaluation of the environmental impacts of the proposed
4 project, and we will assist the Coast Guard in
5 preparing the Environmental Impact Statement to explain
6 what the impacts would be.

7 The EIS is being conducted in accordance
8 with the National Environmental Policy Act, or NEPA.
9 Public involvement is a fundamental aspect of NEPA and
10 of the U.S. Coast Guard's environmental policies. We
11 are now in the early-stage of the EIS process, at a
12 step called Scoping, in which we seek public input on
13 potential impacts and especially on sources of
14 information relating to potential impacts. It's termed
15 scoping because we are determining the scope of issues
16 that should be included in the EIS.

17 The Coast Guard began the scoping
18 process by publishing a Notice of Intent to Prepare an
19 Environmental Impact Statement in the *Federal Register*
20 on October 20th, 2005. A similar notice was published
21 in the *Boston Globe*, the *Salem News*, and the *Gloucester*
22 *Daily Times*, on October 28th, and, again, in the *Boston*
23 *Globe* on October 30th, 2005. The Notice of Intent was
24 also mailed to over 200 State and Federal agencies,

1 individuals, and groups that might have some interest
2 in the project.

3 The Notice of Intent provided directions
4 for making comments during the scoping process and
5 announces the location and time of these public scoping
6 meetings. We are also holding scoping meetings
7 tomorrow night in Gloucester.

8 Oral and written comments made today
9 will be recorded and addressed in the Draft
10 Environmental Impact Statement. In addition to
11 providing comments tonight, as Frank has already said,
12 you can submit them by either written comments, or
13 electronically, or by fax, or by email. And the
14 details are all, as Frank mentioned, in the fact sheet
15 in the back that looks like this. You can pick one of
16 those up on the back table.

17 Please only use one of these methods to
18 submit your comments. If you make a statement tonight,
19 you do not need to also mail that into the docket. It
20 will duplicate it, but it will only be considered as
21 one comment.

22 We would appreciate if you could make
23 your comments by November 18th, the cutoff date for the
24 public comment period.

1 As a minimum, an environmental analysis
2 will be completed on the following topics in the
3 Environmental Impact Statement: geology; soils;
4 sediments; water resources; wetlands; fisheries;
5 wildlife, threatened and endangered species;
6 socioeconomics; transportation; cultural resources;
7 marine biology; noise; recreation and aesthetics; and
8 reliability and safety. We will consider the
9 environmental effects of construction, operation, and
10 decommissioning of this proposed deepwater port. In
11 addition, we will look at the cumulative impact of
12 other foreseeable projects within the area of which we
13 are aware.

14 One of our responsibilities in preparing
15 the EIS is to analyze a range of alternatives. We will
16 consider alternative locations for the deepwater port
17 and alternative offshore pipeline routes. We will look
18 at alternative deepwater port concepts and alternative
19 LNG technologies. We will also consider the no action
20 alternative, or what would happen if the license is not
21 granted, and the project is not built, and, as
22 mentioned earlier, the cumulative impacts of two
23 proposed ports in the same vicinity.

24 The next step in this process will be to

1 prepare the Draft Environmental Impact Statement. To
2 announce the availability of the Draft EIS, we will
3 publish a notice of availability for the DEIS in the
4 *Federal Register* and place ads in the same local
5 newspapers, the *Boston Globe*, the *Salem News*, and the
6 *Gloucester Daily Times*, announcing the availability of
7 the DEIS for review.

8 When the DEIS is completed, copies will
9 be sent to federal, state, regional, and local
10 agencies, and local groups and individuals who have
11 requested copies. Additional copies will be placed in
12 public libraries where the public may review the DEIS.
13 The DEIS will also be available on the docket via the
14 Internet, or by requesting a copy from the U.S. Coast
15 Guard.

16 If you have not already done so, please
17 indicate on the registration card down here at the
18 bottom if you would like to receive a copy of the DEIS
19 when it becomes available, and a copy will be mailed
20 directly to you.

21 The U.S. Coast Guard and the Maritime
22 Administration will return to the Boston area to hold a
23 public meeting to provide citizens an opportunity to
24 make formal oral comments concerning the Draft EIS.

1 Resource experts will be present to answer questions
2 during an open house session similar to the one this
3 morning -- this afternoon. Resource experts -- and you
4 will have an additional opportunity to enter comments
5 and concerns into the official record.

6 After the close of the public comment
7 period on the Draft EIS, we will assist the Coast Guard
8 in preparing the Final EIS, including an explanation of
9 how comments were considered. On completion of the
10 Final EIS, though not part of the NEPA process and the
11 EIS process, we will hold at least one public hearing
12 in Massachusetts to solicit comments on the Final EIS
13 and the Neptune license application.

14 Again, the dates, locations, and times
15 for these meetings will be announced in the *Federal*
16 *Register* and in local newspapers.

17 When the EIS is finalized, the Maritime
18 Administrator will use it as one of the inputs as
19 described in his decision on whether to issue the
20 license, not issue the license, or to issue a license
21 with specific conditions.

22 As described in this fact sheet --
23 again, copies are available on the back tables -- there
24 are requirements in addition to the environmental

1 impacts that must be considered by the Administrator in
2 reaching the decision on the final license action.

3 Thank you very much for taking the time
4 to come meet with us tonight and to provide your
5 comments on the application.

6 RODDY BACHMAN: Thank you, Don.

7 At this time, I'd like to again
8 introduce Ms. Briony Angus of the Massachusetts
9 Environmental Policy Act Office.

10 BRIONY ANGUS: Thank you. Again, my
11 name is Briony Angus. I am from the Massachusetts
12 Environmental Policy Act Office. And I will just make
13 this brief in case there are any of you that were not
14 present at 5:00 when I opened the MEPA public scoping
15 session for the project.

16 This project is -- has requested that we
17 allow it -- that the Secretary of Environmental
18 Affairs, who is the official that is in charge of the
19 MEPA process, to allow a joint coordinated review. And
20 that's why we're holding this meeting tonight. And,
21 the ultimate outcome of this review process will be one
22 joint EIS and EIR under MEPA.

23 MEPA provides for coordinated state
24 agency and public review of a project that meets a

1 certain threshold. In this case, because the project
2 will alter more than ten acres of wetlands, that's what
3 got it into the MEPA review. MEPA jurisdiction over
4 this project is broad. It relates to the subject
5 matter of required or potentially required state
6 permits. I didn't mention this before: Because the
7 project requires a Chapter 91 License -- excuse me --
8 that is the Public Waterways License that's issued by
9 the Department of Environmental Protection -- that
10 enables us -- gives us the broad jurisdiction because
11 that looks at all issues that could impact public use
12 of waterways of the Commonwealth. It looks at
13 fisheries, navigation, waterways, etc. So that is what
14 gives MEPA the broad jurisdiction. So we will be
15 looking at very similar issues as were just outlined by
16 e²M.

17 Our comment period on this project is
18 not quite I line with the Coast Guard's. Our comment
19 period closes on November 7th. And a certificate will
20 be issued on November 14th by the Secretary of
21 Environmental Affairs. You could also comment to us in
22 writing via mail, fax, email, or in person. And,
23 again, there's handouts on both back tables back there
24 with the appropriate contact information.

1 The certificate that we issue on
2 November 14th will be a scope for the Environmental
3 Impact Report, Environmental Impact Statement. And so
4 your comments will be fed into that scope.

5 And, no state permits -- this project
6 requires a number of state permits that have been
7 outlined in the Environmental Notification Form
8 submitted to MEPA and in the proponent's earlier
9 presentation. No state agencies can issue those
10 permits until the Secretary of Environmental Affairs
11 signs off on the Final Environmental Impact Report for
12 this project stating that it's adequate and doesn't
13 require any further MEPA review.

14 And I can -- I think that's it for the
15 MEPA process.

16 RODDY BACHMAN: Thank you, Briony.

17 And, finally, I'd like to introduce Ms.
18 Nancy Farrell with Regina Villa Associates, who will be
19 facilitating this meeting.

20 MODERATOR NANCY FARRELL: Good evening.

21 Welcome to the hearing portion of this -- the comment
22 portion of this hearing.

23 I am obliged to tell you the rules
24 before we open the meeting for your comments. I would

1 ask you, first of all, if you just joined us, to turn
2 off your cell phone or silence it. And, if it goes off
3 during the meeting, I will embarrass you. So, please
4 make sure it's off.

5 I will ask you to restrict your comments
6 to five minutes. And, when you reach the point of
7 four-and-a-half minutes, I will wave this yellow piece
8 of paper so you know you are almost out of time. At
9 the five minute point, I will either wave this red
10 piece of paper or I will tell you time is up. If you
11 have more remarks, you are welcome to submit them in
12 writing. If you would like to stand up again at the
13 podium after everyone who has signed up to speak has
14 completed doing so, you are welcome to come back again.

15 There is a transcriber writing down what
16 you are saying. Please try to speak clearly and
17 distinctly. Please give us your name when you begin
18 speaking and the affiliation of your organization, if
19 you are representing one.

20 I think that's about it. I will, first,
21 recognize any elected officials who might be present in
22 the room to make comments. Are there any elected
23 officials who would like to make any comments?

24 Seeing none, I have three people who

1 have signed up in the following order to make comments:
2 William Eldridge, David Clark, and Kevin Conry. And I
3 will ask William Eldridge to approach the podium first.

4 WILLIAM ELDRIDGE: My name is William
5 Eldridge. I am a native of Nantucket. I presently
6 live in Rowley, Massachusetts. I am a consumer of gas
7 in my house and in my business.

8 I am the Vice President of Peabody &
9 Lane Corporation, which is a shipping agency in Boston
10 and New England. I am the president of the Propeller
11 Club of the Port of Boston, and the Shipping Advisory
12 on the Stellwagen Bank Council.

13 Peabody & Lane was incorporated in 1920
14 as a New England Shipping Agency in order to service
15 various Steamship Lines, charterers, importers, and
16 exporters throughout the Port of Boston and other New
17 England ports. As such, Peabody & Lane Corporation
18 would like to provide its comments concerning the
19 Liquefied Natural Gas Deepwater License Application
20 submitted by Neptune LNG.

21 Suez LNG North America and Neptune LNG
22 has proposed building a Deepwater LNG Port and has
23 applied for a Liquefied Natural Gas Deepwater Port
24 License. Peabody & Lane supports the issuance of that

1 license and provides the following comments.

2 Demand for Natural Gas: Demand for
3 natural gas in New England is expected to increase 2
4 percent a year for the next decade; without additional
5 supply sources, the New England region and
6 Massachusetts could face supply shortages during peak
7 cold periods; furthermore, the offshore project will
8 reduce the dependence on the present pipeline system
9 where New England customers are presenting on the end
10 of the line.

11 Natural Gas: The Fuel of Choice:
12 Environmentalists encourage the use of natural gas
13 because it is one of the most ecologically friendly
14 fuels. Natural gas is not corrosive or toxic, and does
15 not pollute land or water resources. As a liquid, LNG
16 cannot explode and is not flammable.

17 The Neptune Offshore Facility Reduces
18 the Need for New Onshore Projects in Boston Harbor:
19 The Neptune offshore facility would reduce the need for
20 further onshore projects in the Boston Harbor area,
21 thus avoiding negative environmental impacts of
22 construction and dredging for any newly proposed area
23 onshore projects in Boston, such as the Brewster Island
24 project.

1 The offshore project does not require
2 any coastal land and also limits aesthetic impacts.
3 Additionally, the site specifically avoids the
4 Stellwagen Bank Marine Sanctuary and is strategically
5 located away from the Boston Traffic Lanes.

6 Suez LNG North America and Neptune are a
7 Known Commodity: The people of Suez LNG and those who
8 will be operating the Neptune offshore facility, should
9 it be approved, are well known operators in the Boston
10 Harbor area. As the present operator of the Distrigas
11 facility in Everett, Massachusetts, Suez LNG provides
12 more than 35 years of experience in the LNG terminal
13 import business. The Distrigas facility is the only
14 import terminal in all of New England and only one of
15 six active facilities in the United States. As agents
16 for our Shipping principals calling at the Distrigas
17 facility in Everett, we have been associated with more
18 than 600 LNG vessel calls and clearly recognize the
19 professional efforts of the Distrigas personnel and
20 their attention to safety, environmental, and
21 reliability standards.

22 Suez LNG has the ability to provide gas
23 through already existing and contracted supply sources
24 for the Neptune project; a distinction from other

1 proposed facilities in the Boston area.

2 In conclusion, the Neptune offshore
3 facility offers greatly needed energy infrastructure
4 for the New England region, is operated by a safety
5 conscious and professionally trained local staff, using
6 environmentally sound technology, and placed offshore
7 alleviating the added safety and environmental concerns
8 which arise in building a new onshore site. Peabody &
9 Lane Corporation, for all the above stated reasons,
10 fully supports the Neptune LNG Liquefied Natural Gas
11 Deepwater Port License Application and urges its
12 approval.

13 MODERATOR NANCY FARRELL: Thank you, Mr.
14 Eldridge.

15 WILLIAM ELDRIDGE: Thank you.

16 MODERATOR NANCY FARRELL: David Clark.

17 DAVID CLARK: Good evening. My name is
18 David Clark. I am the operations manager for Boston
19 Towing & Transportation Company. I live in Topsfield.

20 Let me go here, I guess.

21 Massachusetts needs additional energy
22 supplies to continue to grow, and as a country we have
23 placed natural gas at the forefront as our energy
24 product of choice. We see the Neptune project, as

1 envisioned by Suez Energy and Distrigas, as an
2 excellent way of further securing this needed energy
3 supply for the New England region.

4 For the last 35 years, LNG has been
5 brought by ship to Distrigas' Everett Terminal, and for
6 the last 15 years Boston Towing and Transportation
7 Company has been the tug company providing ship assist
8 tugs and Docking Pilots to safely bring those ships to
9 their berth. During this time, we have found that the
10 primary focus of Distrigas and Suez has always been on
11 safety and the continuous improvement of our equipment
12 and training of our personnel.

13 Distrigas has always looked at using and
14 improving the local infrastructure to support their
15 operations. Although we had the highest-powered tugs
16 in Boston, Distrigas wanted the best achievable
17 technology for tugs to be in place. To meet this goal,
18 they went on to help us build two 4,400 horsepower Z-
19 drive tugs. These tugs are not only excellent ship
20 handling tugs with capabilities that far outstrip any
21 other tugs in New England, they also have an excellent
22 fire fighting capabilities. Additionally, Distrigas
23 required all our tug captains and Docking Pilots to go
24 through simulator training to learn how to handle and

1 maneuver the LNG takers in the event of engine or
2 rudder failure. We also have gone through specific
3 training on what would be the required of the tugs in
4 an emergency involving the cargo.

5 I think that you will find that Suez
6 Energy and Distrigas are very concerned about the safe
7 delivery of this product and that they will not cut any
8 corners that might adversely impact the environment or
9 our safety. You can see this in the ships they have
10 designed for this project. Not only are they going to
11 use a closed loop regasification system that will not
12 impact the water temperature surrounding the ship, they
13 also have a tank design that allows continuous
14 regasification regardless of the sea state. The
15 Neptune Project's use of the offshore buoy system and
16 tapping into the existing Algonquin Pipeline further
17 reduces any environmental impact and nearly eliminates
18 any potential harm to the citizens of Massachusetts.

19 The bottom line is this: We need the
20 LNG, the buoy system is the safest way to add capacity,
21 and Neptune is the company to make this happen.

22 Thank you.

23 MODERATOR NANCY FARRELL: Thanks, Mr.
24 Clark. And I'm sorry my little timepiece started to

1 click during your remarks.

2 DAVID CLARK: That was quick.

3 MODERATOR FARRELL: Kevin Conroy.

4 KEVIN CONROY: Good evening. My name is
5 Kevin Conroy. I am the Chief of Staff and General
6 Counsel at the New England Council.

7 The New England Council is a business
8 trade organization with members in all six New England
9 states. In May 2005, we released a report entitled *The*
10 *Economic Imperative For Additional LNG Supplies In New*
11 *England*. There are two findings I want to share with
12 you in that report.

13 First, the report found that additional
14 supplies of natural gas are needed in the New England
15 region. There are two reasons for that. First, our
16 natural gas system is constrained. At most times, it's
17 running at about 90 percent peak capacity. And, at
18 certain points, including a period in January 2004,
19 there were questions about whether we had enough
20 natural gas and natural gas infrastructure in the
21 region.

22 Second, the price of natural gas in this
23 region is higher than it is in the rest of the country.
24 And that's a business issue. That makes this region

1 less competitive than other regions of the country.

2 The second finding of our report is that
3 we need more LNG infrastructure in this region. And we
4 need to begin the construction of this LNG
5 infrastructure as soon as possible.

6 In light of the report, we ask you that
7 you consider the importance of more natural gas
8 infrastructure and the public benefits of that when you
9 look at the public benefits of this project. Increased
10 natural gas in this region and increased natural gas
11 infrastructure is a business issue. It's making this
12 region less competitive. And we need more
13 infrastructure.

14 We do not endorse specific projects at
15 the New England Council, but, again, ask that you
16 consider the importance of natural gas, the importance
17 of natural gas infrastructure, when you consider the
18 public benefits of this project and other projects.
19 And I will leave you a copy of the report.

20 Thank you.

21 MODERATOR NANCY FARRELL: Thank you very
22 much.

23 Is there anyone else who would like to
24 make a comment at this time?

1 Because the Coast Guard has advertised
2 this hearing as extending from 6:00 to 8:00 p.m., we
3 will take a recess for a half an hour, until 7:15. You
4 don't all have to stay. If you'd like to see if anyone
5 else shows up, you're welcome to stay. We will recess
6 until 7:15. The transcriber will remain. We will open
7 the hearing again at 7:15 and take any comments from
8 anyone interested in speaking at that time.

9 Please be sure that you've filled out
10 this yellow registration card, giving us information
11 and making it possible for us -- for the appropriate
12 parties to tell you when new materials are ready for
13 review.

14 Thank you for participating and we will
15 recess until 7:15.

16 (Whereupon, there was a half hour recess
17 off the record.)

18 7:15 p.m.

19 MODERATOR NANCY FARRELL: It is 7:15.
20 And I'd like to see if there's anyone who would like to
21 make a comment on the record during this portion of the
22 hearing. Hearing no comments, I am going to recess the
23 meeting until 7:50 p.m. and we will open the comment
24 period again if there is anyone who wants to speak at

1 that time.

2 Thank you very much.

3 (Whereupon, there was a 40-minute recess
4 off the record.)

5 7:55 p.m.

6 MODERATOR NANCY FARRELL: Could I have
7 your attention please? It is now 7:55. And I am
8 asking if there is anyone else who is interested in
9 commenting on the record.

10 There being no additional speakers, I am
11 going to hand it over to the Coast Guard for a moment.

12 RODDY BACHMAN: Thank you for coming.
13 This concludes the public scoping session for the
14 Neptune Deepwater Port.

15 Thank you.

16 (Whereupon, the hearing was concluded at
17 8:00 p.m.)

18 //

19 //

20 //

21 //

C E R T I F I C A T E

I, Judith A. Luciano, do hereby certify that the foregoing record is a true and accurate transcription of the proceedings in the above-captioned matter to the best of my skill and ability.

Judith Luciano
Judith A. Luciano